

Assembly Joint Resolution

No. 35

Introduced by Assembly Member Brown

(Principal coauthor: Senator Liu)

(Coauthors: Assembly Members Hadley, Levine, and Lopez)

March 17, 2016

Assembly Joint Resolution No. 35—Relative to the Supplemental Nutrition Assistance Program.

LEGISLATIVE COUNSEL’S DIGEST

AJR 35, as introduced, Brown. Supplemental Nutrition Assistance Program: cash-out policy.

This measure would request the federal government to change federal policy in order to allow California to equitably end the Supplemental Nutrition Assistance Program (SNAP) cash-out policy, administered through the Supplemental Security Income (SSI) and the State Supplementary Payment (SSP) programs, in a way that would maximize benefits to, and participation among, newly eligible individuals and mitigate or eliminate harm to low-income families and the approximately 60,000 medically needy children who could be made ineligible for certain benefits under a program without the cash-out policy.

Fiscal committee: yes.

- 1 WHEREAS, The federal Supplemental Nutrition Assistance
- 2 Program (SNAP), formerly known as the Food Stamp Program,
- 3 offers nutrition assistance to millions of eligible, low-income
- 4 individuals and families and provides economic benefits to
- 5 communities. Nevertheless, many low-income seniors and people

1 with disabilities in California, who have difficulties obtaining
2 sufficient food, cannot receive assistance through SNAP; and

3 WHEREAS, SNAP, known as CalFresh in California, supports
4 millions of low-income Californians who meet income, resource,
5 and other tests. This program provides monthly benefits through
6 an electronic benefit transfer (EBT) card, analogous to a debit
7 card, that can be used to purchase food; and

8 WHEREAS, SNAP benefits, which are available to most
9 households living with incomes at, or below, 130 percent of the
10 federal poverty level, are provided on a sliding scale based on
11 income, household size, and certain household expenses; and

12 WHEREAS, The federal Supplemental Security Income (SSI)
13 program provides income support to the elderly, blind, or disabled
14 who meet income, resource, and other tests, and the State
15 Supplementary Payment (SSP) program supplements SSI benefits;
16 and

17 WHEREAS, The estimated average in supplemental nutrition
18 assistance for an SSI/SSP recipient is \$135 per month, but 1.3
19 million SSI/SSP recipients in California are ineligible for SNAP
20 due to a policy known as cash-out; and

21 WHEREAS, California's cash-out policy was established in
22 1974, when the federal government began the combined
23 federal-state SSI/SSP program. Under the cash-out policy,
24 California chose the option of cashing out SNAP benefits to
25 SSI/SSP recipients by including the estimated value of SNAP
26 benefits, approximately \$10 per month in California as set in 1974,
27 within SSI/SSP benefits; and

28 WHEREAS, By adding the \$10 amount into existing SSI/SSP
29 payments, California reduced state administrative and other
30 expenditures associated with the high costs of delivering a small
31 amount of CalFresh benefits to each SSI/SSP recipient on a
32 monthly basis. The incorporation of the SNAP benefit into the
33 SSI/SSP payment prevented SSI/SSP recipients in California from
34 being eligible for SNAP; and

35 WHEREAS, California is the only state in which SSI/SSP
36 recipients are ineligible for SNAP under this policy; and

37 WHEREAS, In 1974, many elderly, blind, or disabled SSI/SSP
38 participants were only eligible for minimal SNAP benefit amounts,
39 and the combined SSI and SSP income received by participants

was high enough that it limited the amount of SNAP benefits for which SSI/SSP recipients were eligible; and

WHEREAS, California’s SSI/SSP recipients are now living much closer to, or below, the federal poverty level than they were when the program began. In 1980, for example, an SSI/SSP benefit put a recipient’s income threshold at 128 percent of the federal poverty level. In 2016, an SSI/SSP benefit put a recipient’s income threshold at about 91 percent of the federal poverty level; and

WHEREAS, Over the years, California’s SSI/SSP benefits have risen and fallen, and the annual, automatic cost-of-living adjustment (COLA) for SSI/SSP was repealed in California in 2009; and

WHEREAS, SSI/SSP recipients in California, on average, would be eligible for far more CalFresh benefits today than the \$10 monthly amount that they have been receiving since 1974 as food assistance in their SSI/SSP checks; and

WHEREAS, Technology has advanced to a point where electronic benefits could be made available to an SSI/SSP recipient if the state developed a method of activating an EBT card by asking questions telephonically, or through other efficient means, to determine if the automatically calculated benefits are correct; and

WHEREAS, California’s cash-out policy hurts many low-income seniors and people with disabilities. Continuing the cash-out policy at this time poses many significant risks to these individuals’ health and well-being; and

WHEREAS, California’s cash-out policy benefits some mixed SSI/SSP households, where some members of the household receive SSI/SSP benefits and other members do not, resulting in greater CalFresh benefits overall for the household. California could provide mixed SSI/SSP households with alternative benefits to replace the reduced or eliminated CalFresh benefits resulting from an end to the cash-out policy; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California requests the federal government to change federal policy in order to allow California to equitably end the SNAP cash-out policy in a way that would maximize benefits to, and participation among, newly eligible individuals and mitigate or eliminate harm to low-income families and the approximately 60,000 medically needy children who could be made ineligible for certain benefits under a program without the cash-out policy; and be it further

1 *Resolved*, That the Chief Clerk of the Assembly transmit copies
2 of this resolution to the President and Vice President of the United
3 States, to the Speaker of the House of Representatives, to the
4 Majority Leader of the Senate, to each Senator and Representative
5 from California in the Congress of the United States, and to the
6 author for appropriate distribution.

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